1:Stanford U. S-4, 5 1956 AF15 East China
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396 ship-building probably has been made since 1952. For example, the Chiangnan Shipbuilding Company completed a river steamer for the Minsheng Shipping Company in March 1954.[15] No statistical data on water transportation in East China is available for comparison.

502 The adoption of the "single-file towing" method suggested by Soviet experts has increased both the speed and the volume of water transport on the lower reaches of the Yangtze
505 River. The Yangtze Navigation Administration announced that from March to December 1952, the volume of freight traffic was increased by several hundred-thousand tons over that reported a year previously. A considerable reduction of transport cost in the section between Shanghai and Yü-hsi-k'ou was also reported. The tugboats of the East China Shipping Company pull approximately 24.2 tons of freight per hp. by using the "single-file towing" method as against 7 tons per hp. by the old method.[16] Because it is cheaper to ship by water, the Communists have reduced freight rates on the inland waterways in the East China Region. Freight rates for ten daily necessities shipped

15. Ching-chi Tao-pao [Economic Bulletin], Hong Kong, June 14, 1954, No. 372, p. 30.

16. Navigation in Communist China, Part II, p. 16.

1:Stanford U. S-4, 5 1956 AF15 East China
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Annex "A," Subparagraph 3i,
Economic Background

FOREIGN TRADE AND EXCHANGE

439 Of the five provinces of East China, only Anhwei has no direct outlet to the sea. The provinces of Shantung, Kiangsu, Chekiang, and Fukien, on the other hand, provide virtually the entire eastern and southeastern seaboard of the Chinese Mainland. Furthermore, access to the inland provinces is especially facilitated by the Yangtze River via the port of Shanghai. These geographical facts served in the past to make East China one of the most important areas of foreign contact, if not the most important. Foreign investors followed the footsteps of foreign merchants and the trade ports became in turn centers of manufacturing, which further encouraged their development as focal points in foreign commerce.

Customs Offices and Principal Ports

• 502 The identity of the principal ports of the East China provinces today may be seen from the distribution of Communist China's customs establishments in this area.[1]

1. Lun-hsien-hou Ti Ta-lu [Mainland under Occupation], Taipei, Chung-hua wen-hua ch'u-pan shih-yeh wei-yüan-hui, 1953, pp. 140-41.

1:Stanford U. S-4,5 1956 AF15 East China AF15

Location of Customs Establishments in East China

Province	Main Office	Branch Office	Sub-Office
Shantung	Tsingtao	Yentai (Chefoo)	Lien-yün-chiang
Kiangsu	Shanghai	-	Wu-sung
Chekiang	-	-	Ningpo
			Wen-chou
Fukien	Foochow	-	Han-chiang
			San-tu-ao
	Amoy	-	Chin-chiang
Anhwei	-	-	-

502 Apparently, the above tabulation represents the result of the streamlining of the customs administration as former customs offices at such river ports as Wu-hu (Anhwei Province), Nanking, Soochow, and Chen-chiang (Kiangsu Province) have been eliminated. Moreover, seaports like Lung-k'ou and Wei-hai-wei -- both in Shantung Province -- do no appear on the list. While foreign trade may still be conducted through such points, there is no doubt that the twelve ports given in the table above now constitute the principal points of contact in East China's trade with foreign countries.

Relative Importance of East China Ports in Imports and Exports

504 439 During 1936, the last year of relative peace before the resumption of the Sino-Japanese War, the East China ports accounted for 70.9 per cent of the country's imports and 62.6 per cent of its exports. At the end of World War II, because of civil war activities in North China and their adverse effect on trade, and because of the large import of consumer goods demanded by the population of the coastal cities, the relative importance of the East China ports was further enhanced so that 87.4 per cent of the country's imports and 66.3 per cent of its exports were funneled through these ports

2: Murphy G-4 (no date) 1953 AF15 East China AF15

503 Work was begun in 1932 by the Board on cutting a channel of 33 feet at mean high tide through the Fairy Flats, which required the removal of nine feet of silt from the bar as it then existed, including an allowance of three feet for clearance in heavy seas and one foot for fall of the tide during the passage of the ship. By 1936 about three of the nine feet had been removed for half of the distance of the channel. Dredging was suspended during the Japanese occupation and has not yet been resumed during the blockade conditions of the post-war period. Much of the earlier work has thus been lost.

[133] 502 Ebb and flow currents at Shanghai average about three knots for a total of eight hours during each 24-hour period. Six major bends in the Whangpoo (the one at the mouth of Soochow Creek being almost a hairpin turn) and the narrowness of the channel make these tidal currents a problem for ocean-going ships, both in docking and in maneuvering for anchorage. None of the ocean vessels (except for foreign warships, which usually anchored off the Bund) dock above Soochow Creek, and most of them find it easier to unload cargo onto lighters in midstream, taking on cargo at wharves 505 farther down the river in Yangtzepoo.* The wharves along the Bund are used for lighters and for river shipping. Roadsteads within the harbor are severely limited, and collisions and congestion are common.

There have been periodic suggestions that the main harbor be moved to Woosung, but even here conditions are far from ideal. There is a large anchorage in the open roads of the Yangtze with a minimum depth of 30 feet at mean low tide, measuring two miles by six miles, but tidal currents average about a knot stronger than at Shanghai, and these together with the winds across the open sweep of water prevent loading or unloading by lighter about 30 per cent of the time. Existing wharves at Woosung can accommodate only vessels drawing less than 18 feet. Cargo unloaded at Woosung by lighter or at the wharves is mainly carried to Shanghai directly by lighter on the Whangpoo, but there is also some shipment by rail.

The expense and inconvenience of transshipment would probably

* Because of the angle and direction of the tidal currents and the set of the channel, loaded ships can be maneuvered out of the wharves and down the Whangpoo more easily than up the river and into the wharves.

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are between Wanhsien and Ichang), a distance of about 400 miles, there is an average drop in elevation of 14 inches per mile and a total of 15 major rapids. These gorges and rapids are responsible for the break from orthodox ocean and river steamships to special shallow-draft and high-powered steamships at Hankow, which because of its location at the mouth of the Han is a more convenient shipping and commercial center as well as a breaking-point in transport than Ichang, whose hinterland is relatively unproductive and poor in waterways. On all of the Yangtze tributaries beyond the reaches navigable by steamships, navigation by native boats is increasingly seasonal toward the headwaters, and as we have seen above, steam navigation is considerably restricted during the winter low-water period.

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The Chinese of the Yangtze basin have learned to make maximum use of existing waterways, with the technical means available to them, and are accustomed to floating rafts and even specially designed junks on one or two feet of water.* Such rafts can carry up to 20 tons of goods and remain waterborne in one foot of water. Spring and summer floods present more of a danger for them than does the winter low-water period. In southwestern Shensi and southeastern Kansu, a region which produces wool, cotton, and hides for export, these products are sent to market during the time of the spring floods by making them up into bundles around which the hides are sewn in a waterproof covering. The bundles are then put into the headwaters of streams leading eventually into the Chialing or Han Rivers, down which they float to collecting centers near the head of junk navigation.

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Despite such ingenious adjustments to an environment poor in easy overland routes and rich in waterways, movement of goods along many reaches of the Yangtze system virtually stops during the lowest low-water and highest flood periods, and is seriously hampered even on the master stream by currents, gorges, and rocks. Merchants of Ichang, just downstream from the main gorges of the Yangtze, estimate that about 20 per cent of east-bound boats and

* See Baron von Richtofen, *Letters to the Committee of the Shanghai Chamber of Commerce* (1871), p. 7. He describes navigation in the upper waters of Yangtze tributaries in the central mountain belt on two inches of water.

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KEY FUNCTIONS

cargoes between Wanhsien and Ichang are damaged in transit, and about 10 per cent of west-bound boats.[6] Rates of course vary according to the season and to whether the cargo is to be moved up or downstream.

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More than a few villages along the Yangtze between Ichang and Chungking depended for their livelihood largely on salvage from boats wrecked on the rocks or in the rapids. Many of these villages were engaged in neither agriculture nor fishing. Hsin Tan (the characters mean "new rapids"), some eighty miles upstream from Ichang, was described by the delegates of the Shanghai Chamber of Commerce in 1869 as a large and prosperous town whose wealth derived mainly from its location at one of the most dangerous rapids along the upper Yangtze. The original channel there was blocked by a landslide in the fourth century B.C., and shortly thereafter Hsin Tan was founded a few hundred yards from the new channel, which contained a series of rapids. The new town presumably acted as a lay-over point for boat trackers, but the rapids also yielded another form of income. Navigation on this stretch was originally forbidden by the provincial authorities between November and April, but the inhabitants of Hsin Tan cleared a channel adequate for the passage of boats during the low-water period but not adequate enough to prevent frequent wrecks, from which they realized most of their livelihood.[7]

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Trade within the Yangtze basin has to adjust itself to the seasonal limitations on navigation. Merchants in each trading place, including Shanghai, are obliged to keep large reserves of goods on hand to tide over the periods of flood and low water, and to be ready to ship in large quantities when navigation is possible. Water transport is also liable to interruption by civil disorder (peasant risings, troop movements, bandits), since boatmen fear expropriation of their craft and cargoes at such times. Foreign traders in Shanghai found that most of the Chinese dealers in the hinterland had insufficient capital to buy goods adequate to ensure a uniform supply, and that it was therefore necessary for local branches of the Shanghai firms in inland trade centers such as Hankow or Kiukiang to keep on hand at all times a minimum of 18 months' supply of goods. Under such conditions, only the largest foreign firms could afford to operate,